Ministry of
Competition, Science
and Enterprise

REVISED SERVICE PLAN

2003/04 – 2005/06

BRITISH
COLUMBIA

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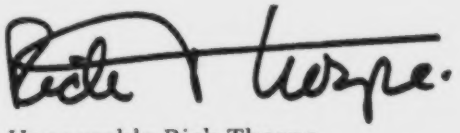
Accountability Statement

The 2003/04 – 2005/06 Ministry of Competition, Science and Enterprise Revised Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. The plan was developed in the context of the government's *New Era* commitments, which are to be addressed by May 17, 2005. All material fiscal assumptions and policy decisions as of May 1, 2003 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.



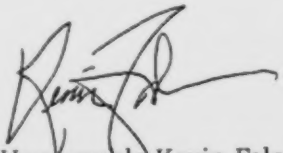
Honourable Rick Thorpe
Minister of Competition, Science and Enterprise

October 15, 2003

Minister of State Accountability Statement

I am the Minister of State for Deregulation and under the *Balanced Budget and Ministerial Accountability Act*, I am responsible for achieving the following result for 2003/04:

Achieving 12 per cent reduction of regulatory burden.

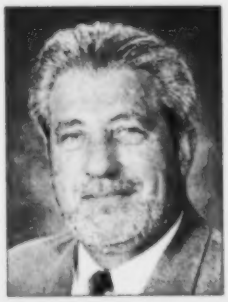


Honourable Kevin Falcon
Minister of State for Deregulation

October 15, 2003

BRITISH COLUMBIA

Ministry of Competition, Science and Enterprise



The Ministry of Competition, Science and Enterprise was created to develop and implement strategies to revitalize the economy and create a more competitive business climate in British Columbia. In Summer 2003, the Ministry's workforce was reorganized and our mandate more clearly focused to allow us to direct resources more effectively and better meet our goals and commitments.

Our goals are:

- Improving our competitive position in the national and international economy;

- Increasing economic development throughout British Columbia, particularly in the Heartlands; and
- Marketing British Columbia as a preferred place to live, visit, invest and do business.

In the February 11, 2003 Throne Speech, Premier Gordon Campbell assigned this Ministry responsibility for driving the cross-government Heartlands Economic Strategy — a plan to restore and expand wealth generation and prosperity in all parts of the province and from all aspects of the land base.

Our Ministry is also leading the All-Seasons Resort Task Force, an inter-ministry initiative that will identify and eliminate barriers to resort creation and expansion in the Heartlands of British Columbia. There will be opportunities for input from local governments, First Nations groups, investors, resort owners, regional tourism authorities and tourism industry operators. Tourism is a nearly $10 billion sector of British Columbia's economy, and government is dedicated to helping the industry achieve every possible success.

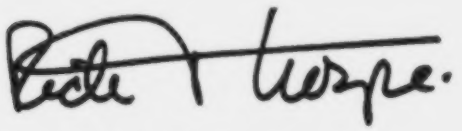
On July 2, 2003, the International Olympic Committee announced it had selected British Columbia as the host for the 2010 Winter Olympic and Paralympic Games, culminating the extensive work of the 2010 Bid team, a highly successful public-private partnership.

There could be no greater validation that British Columbia is now recognized as a place that gets things done, and one of the best places to live, work and visit. But the real work is just beginning and the initiatives we undertake as we prepare for the 2010 Winter Games will create jobs, strengthen regional economies, and establish our province as an economic leader,

a global magnet for trade and investment, and a destination of choice for travelers from around the world.

We are encouraged by the strides the Ministry has taken to date, and will continue to improve on this progress in years to come.

We are pleased to present the details of our Ministry's reorganized structure in this revised service plan for 2003/04 – 2005/06.



Honourable Rick Thorpe
Minister of Competition, Science and Enterprise

Honourable Kevin Falcon
Minister of State for Deregulation

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Strategic Context

Ministry Overview

The Ministry of Competition, Science and Enterprise is the primary provincial agency responsible for initiatives and programs dedicated to creating a strong provincial economy in British Columbia. Activities within the Ministry are focused on building a competitive business environment that gives the private sector the confidence to invest, generate opportunities and create jobs throughout British Columbia.

The Ministry's responsibilities are to:

- Develop and Implement a comprehensive Provincial Economic Strategy.
- Encourage the development of regional economies, infrastructure and services by providing cross government leadership for the implementation of the Heartlands Economic Strategy.
- Assist in creating an environment that encourages investment and job creation.
- Provide strategic leadership that will facilitate economic growth and development throughout British Columbia by fast-tracking provincial regulatory approvals for significant economic projects.
- Develop and implement a Tourism Development Strategy for British Columbia, which maximizes tourism investment throughout the province.
- Promote the enhancement and development of all season resorts and resort municipalities.
- Establish a welcoming environment for small business by advocating on behalf of small business owners and prospective small businesses.
- Market British Columbia as an investment location, and develop and enhance national and international investment and trading relationships.
- Increase the amount of venture capital available in the Province.
- Provide up to date professional analysis of British Columbia's competitive advantages and disadvantages vis-à-vis international investment and business formation for each important industry sector and all regions.

The Ministry is also responsible, through the mandate of the Minister of State for Deregulation, for the deregulation initiative to achieve the *New Era* commitment to cut red tape and reduce the regulatory burden on businesses and consumers by one third within three years, beginning in 2001.

The Ministry has 122 staff positions, including staff in six regions. The Ministry delivers its services and programs through three divisions, Deregulation Office, and Deputy Minister's Office:

Competitive Economic Policy Office — is responsible for the development of the Province's Economic Development Strategy and Heartlands Economic Strategy to promote economic growth and diversification of British Columbia's economic base. The division continually monitors business and economic developments affecting British Columbia and provides up to date analysis of the province's competitive advantages in every region, and in all industry sectors, to determine the best strategies for British Columbia to improve its economic performance.

In addition, the division ensures that key cross-government projects, which are significant economic drivers, or have potential for significant economic impact on the province, are managed successfully. Also, the division is responsible for international and internal trade policy.

Economic Development Division — leads the cross-government implementation of the Provincial Economic Development Strategy. The division, through its regional presence, identifies potential projects that support the Provincial Economic Development Strategy and the Heartlands Economic Strategy, uses expert business case analysis to recommend projects for fast-track designation, and monitors these projects through provincial government review and approval processes to ensure timelines are met.

The division is also the driver for expanding the tourism industry through the implementation of the Tourism Development Strategy and working to enhance and develop all season resorts and resort municipalities. The division will also work with industry to identify and fast-track tourism projects. The division supports Heartlands communities by providing local economic development agencies and small business associations with information, education and other tools to assist with small business start-ups.

Finally, the division administers the project funding for the Canada-British Columbia Infrastructure Program, and Western Economic Partnership Agreement.

Management Services Division — provides financial, human resources, records management and information systems support to the Ministry.

Deregulation Office — provides policy advice and supports the Minister of State for Deregulation's mandate to set the framework and oversee the government-wide commitment to cut red tape and the regulatory burden by one third within three years.

Deputy Minister's Office — a number of branches report directly to the Deputy Minister, including Investment Capital, British Columbia Film Commission, International Relations, and Corporate Investment and Location Service. Collectively, they position British Columbia as a preferred place for new and expanded investment. International Relations Branch plans and manages trade missions that provide the Premier and ministers with opportunities to

increase British Columbia's profile in key markets. Investment Capital Branch manages tax policy programs to assist small and medium sized businesses throughout the province to gain access to equity capital for business start-up and expansion. Corporate Investment promotes international awareness of British Columbia's investment climate and provides potential investors with business location information and services.

In addition, the British Columbia Film Commission supports regional film commissions and coordinates marketing British Columbia to the film and television industry.

Planning Context

The planning context is an assessment of strengths, challenges and internal forces that can have a significant impact on the Ministry's ability to deliver results. It provides the Ministry with specific information to prepare for future actions.

Key Opportunities

- **Tourism and Resorts:** British Columbia has some of the most temperate and dramatic topography in the Pacific Northwest offering significant investment opportunities for the further development and enhancement of British Columbia's tourism and all-season resort industries.
- **Investment Promotion:** British Columbia has some of the most abundant natural resource opportunities in the world, but these alone will not attract investment even in a strong economy. Information about the changes being made to ensure British Columbia is globally competitive needs to be aggressively marketed to the investment community.
- **Small Business Sector:** British Columbia's small business sector comprises over 97 per cent of British Columbia's businesses and is the primary source of job creation in the province. There is broad recognition that the development of the small business sector boosts local economies, sustains healthy communities and provides diverse employment opportunities.
- **2010 Olympic and Paralympic Winter Games:** the 2010 Winter Games will open up new opportunities for tourism through increased visitation and international profile. In addition, infrastructure investments leading up to the Games will create approximately 228,000 direct and indirect person years of employment, and inject billions of dollars into the provincial economy.

Key Challenges

- **World and Local Events:** recent global events such as the outbreak in March 2003 of Severe Acute Respiratory Syndrome (SARS), and the on-going war on terrorism, combined with regional events such as a single case of mad-cow disease in Alberta, and forest-fires in British Columbia, have combined to depress the number of visitors to the province this year.

- **Economic Expansion:** the effects of continued weakness in the forestry industry as a result of the ongoing softwood lumber dispute with the US, as well as poor business performance by the US and Japanese economies will contribute to British Columbia's expected GDP growth of less than two per cent in 2003.
- **Strengthening Canadian Dollar:** The dollar climbed as much as 20 per cent during the first 10 months of 2003. The sharp appreciation in the dollar could affect some of British Columbia's export dependent industries such as forestry and high-tech. The strengthened dollar has also exposed some uncompetitive companies that have relied on a competitive exchange rate to sell their products abroad. The appreciation of the Canadian dollar could stimulate some companies to invest in productivity improvements to counteract any further increases in the Canadian dollar.
- **Productivity:** a key factor to improving living standards is increasing productivity, generally measured by output per worker per hour. Productivity in Canada has traditionally lagged behind the US and the average of the industrialized countries that make up the Organization for Economic Cooperation and Development.[1] In one study by the Center for the Study of Living Standards, Canadian manufacturers' productivity has slipped to less than 70 per cent of their US competitors. Closing the productivity gap would fuel economic growth and raise British Columbia's standard of living.
- **Demographics and Skill Shortages:** In 2002 and early 2003, the province conducted skills shortage surveys with major employers in British Columbia. While results of the surveys indicated no general skill shortages at this time, there were some shortages identified in management occupations, professional occupations and technical, paraprofessional and skilled occupations[2]. Employers also indicated some concern over future skills shortages due to the aging workforce, lack of post-secondary education and competition for the same workers from other jurisdictions and countries. The Ministry will continue to work with other ministries and the business community to ensure that training programs respond to employers' needs.

Risk Assessment

Risk assessment addresses both the internal and external risks the Ministry might face over the next three years in attempting to meet its objectives. The following factors will influence the degree to which the Ministry achieves its objectives:

- Commodity price volatility.
- World economic growth, especially the growth of the US economy.
- Economic fundamentals such as interest rates, stock market performance, exchange rates etc.

[1] National Post, July 18, 2003

[2] Various senior management disciplines; senior technology executives; mechanical, electrical, senior optical, senior software and power/steam engineers; computer graphics artists; supervisors/superintendents in various disciplines; millwrights; electricians and instrumental technicians.

- First Nations issues and land access restrictions.
- Concerns regarding the implementation of the Kyoto Protocol.

In order to manage the uncertainty resulting from changes in the external economic factors facing British Columbia, the Ministry will become the British Columbia competitiveness expert. The Ministry is undertaking SWOT (strengths, weaknesses, opportunities, and threats) analyses of the province, each region and key sectors. The purpose of the SWOTs is to keep a finger on the pulse of changing economic and business conditions to identify factors and major trends to be considered when developing effective strategies for the province, regions and sectors.

Furthermore, the Ministry will lead economic development initiatives in the following sectors: tourism (including resorts), science and technology (through Leading Edge British Columbia), film industry, small business and venture capital to ensure British Columbia has a competitive environment that encourages investment and job creation.

New Directions and Major Changes from the Previous Plan

The Ministry refocused its activities between April and July 2003 resulting in significant changes to both the Ministry's operational structure and its goals and objectives.

There have been two key shifts in the Ministry's mandate: the development and implementation of the Provincial Economic Strategy and the cross-government leadership of the Heartlands Economic Strategy. The Provincial Economic Strategy will create and drive the economic vision for the province and will establish a framework within which government polices and initiatives relating to economic development can be assessed and evaluated. The Heartlands Economic Strategy will focus on and drive the economic expansion and diversification of British Columbia's regional economies. Both strategies are living documents that will be reassessed and updated periodically.

Refocusing the Ministry's mandate has also resulted in changes to the Ministry's goals. The table below identifies former goals and current goals.

Former Goals	Current Goals
• Establish a competitive investment climate • Efficient and effective management and regulation	• Improving our competitive position in the national and international economy
• Promote economic growth	• Increasing economic development throughout British Columbia, particularly in the Heartlands
• Innovation, science and technology transfer	• Marketing British Columbia as a preferred place to live, visit, invest and do business

The new goals put greater emphasis on improving British Columbia's competitiveness relative to key competing jurisdictions and fostering economic growth in all regions and sectors. They also reflect an increased focus on marketing and promoting British Columbia's advantages and opportunities.

Two goals that appeared in the previous Service Plan have been removed from the current plan. The goal for *innovation, science and technology transfer* has been dropped. Instead, the arm's-length Leading Edge British Columbia society has assumed responsibility for science and technology issues and will develop its own Service Plan. Also, the goal for *efficient and effective management and regulation* has been dropped as its corresponding objectives have either been incorporated within other goals or have been largely completed. For example, the objective of cutting regulations by one-third in three years is a competitiveness issue and is retained under the goal of *improving our competitive position*. The former objective relating to moving the Ministry to a shared services model is now complete as implementation of the government's shared services model is well underway in the Ministry of Management Services.

The Ministry's refocused mandate has also resulted in the establishment of new program areas. In addition to the development of the Province's Economic Strategy, and corporate leadership of the implementation of the Heartlands Economic Strategy, the Ministry will lead the development and implementation of a Tourism Development Strategy to maximize the advantages and expand the opportunities of British Columbia's second largest industry. As well, the Ministry has been tasked with facilitating the development and expansion of all-season resorts and resort municipalities.

Finally, the Ministry has established a new project fast-track process. This will be a key tool for the Ministry to facilitate regional growth and diversification. Through this process, the Ministry will identify regional economic projects, make recommendations on projects selected for fast-track designation and make sure all approved projects proceed through government's regulatory approval processes in a timely fashion.

Science and technology remain a vital component of economic development and the Ministry has established Leading Edge British Columbia, an arm's length organization, which has assumed the Ministry's science and technology responsibilities (see Appendix I). The principal mandate of Leading Edge British Columbia is to enhance investment, partnerships, alliances and recruitment in British Columbia's technology sectors. This will be achieved through marketing, branding, and investment attraction programs that promote British Columbia's competitive business environment for technology enterprise and specific technology opportunities available in British Columbia to select audiences outside the province. The society will work with relevant stakeholders to create and implement a vision for provincial science and technology marketing policy and funding. In the third quarter of 2003/04, the society will review current initiatives and funding commitments and the provincial agencies that deliver these services. The result will be a broad, inclusive, industry-supported strategy for science and technology in British Columbia.

The Ministry has redeployed a number of functions that are no longer core to achieving the Ministry's mandate. The Immigrant Investor program was consolidated in the Ministry of Community, Aboriginal and Women's Services. Following the Ministry's completion of the government-wide fee and licenses review, responsibilities for ongoing management of requests for fee changes has been transferred to the Ministry of Finance. The loan portfolio was transferred to the Ministry of Provincial Revenue. Finally, responsibility for development and implementation of the youth employment strategy was transferred to the Ministry of Skills, Development and Labour.

As a result of these program changes, the Ministry's FTE count is 122, including staff in six regional offices in Cranbrook, Kamloops, Nanaimo, Prince George, Smithers and Williams Lake. The Ministry transferred in 15 FTEs from the Ministry of Sustainable Resource Management to undertake tourism functions, including the development of the tourism strategy, and all seasons resort strategy.

The Ministry's estimated operating budget is $114.7 million. This is up from the 2002/03 budget of $51.3 million. The increase is largely attributable to the Province's contributions to fund the Vancouver Convention and Exhibition Centre project of $67 million, $62 million, and $69.5 million in each fiscal year 2003/04 to 2005/06 *(see Appendix I)*.

Ministry Vision, Mission and Core Values

1. Vision

The Ministry of Competition, Science and Enterprise envisions a vibrant economy where British Columbians have access to a diversity of job opportunities throughout the province, and where investors have confidence in the province's economic growth and prosperity.

2. Mission

The Ministry of Competition, Science and Enterprise promotes strategic leadership in government to create a strong, prosperous and diverse economy in all regions.

3. Core Values

The following values define the Ministry's management style and govern the way it makes decisions. They guide Ministry staff in interacting with each other, other government agencies, the private sector and other stakeholders.

CORE VALUES	
Competitiveness	The Ministry works towards making British Columbia the most attractive investment location in North America.
Results-Based	The Ministry is a results-based organization that measures performance at both the corporate and individual level.
Shared Responsibility	The Ministry is committed to working with other ministries and agencies to develop and implement actions to bring growth and prosperity to British Columbia.
Accountability	The Ministry is accountable to government and the public and strives to ensure its activities deliver the targets outlined in this Service Plan.
Efficiency	The Ministry delivers its programs in the most efficient manner to enhance British Columbia's competitiveness as an investment location.
Continuous Improvement	The Ministry is committed to developing new and better approaches.
Professionalism	The Ministry is committed to maintaining the highest standards of innovation, quality, teamwork, and developing an entrepreneurial attitude in the professional public service.
Responsiveness	The Ministry strives to respond to the needs of its stakeholders in a timely and effective manner.

Ministry Goals

The Ministry has three long-term goals that will contribute directly to the government's *New Era* vision of hope and prosperity for all British Columbians:

1. **Improving our competitive position in the national and international economy.**

   This goal focuses on enhancing British Columbia's business climate by developing strategies to improve the province's relative competitiveness in key areas of the economy.

2. **Increasing economic development throughout British Columbia, particularly in the Heartlands.**

   This goal focuses on fostering economic growth and diversification in all regions and sectors of the province.

3. **Marketing British Columbia as a preferred place to live, visit, invest and do business.**

   This goal focuses on strategic marketing to distinguish British Columbia from its competitors, and communicate the province's advantages and opportunities to potential visitors and investors alike.

Core Business Areas

The government's overarching aim, as outlined in its Strategic Plan, is for British Columbia to have the best performing economy and the highest quality of life in North America. A key goal of government is to establish a *strong and vibrant provincial economy*, which includes:

- *A thriving private sector economy that creates high-paying job opportunities;*
- *The fastest growing technology industry in Canada;*
- *Greater equity and equality for British Columbia in Canada; and*
- *Responsible, accountable management of public resources and tax dollars.*

In order to support this goal, the Ministry created four core business areas. These are:

1. Improving British Columbia's Investment Climate and Competitiveness
2. Enhancing Economic Development Throughout British Columbia
3. Marketing and Promoting British Columbia
4. Executive and Support Services

Core Business Area 1: Improving British Columbia's Investment Climate and Competitiveness

The government is committed to enhancing British Columbia's competitiveness as a means to create a climate conducive to investment and a prosperous economy. The Ministry has made significant strides towards creating a thriving competitive climate including eliminating business subsidies, reviewing all fees and licenses, and spearheading the government's ongoing efforts to eliminate one-third of regulations within three years. However, British Columbia is continually in competition with other jurisdictions for investment dollars and trade. Consequently, the Ministry delivers programs that create a positive investment climate. The primary role of the core business to improve British Columbia's Investment Climate and Competitiveness is to:

- Oversee the government-wide deregulation initiative to cut red tape to reduce the regulatory burden by one-third within three years, beginning in 2001;
- Manage tax policy programs to assist small and medium sized businesses throughout the province to access equity capital for business startup and expansion;
- Complete strength, weaknesses, opportunity and threats (SWOT) analyses of the province, and each region and sector in British Columbia. The purpose of the SWOTs is to systematically identify the major factors to be considered in developing effective strategies, and provide ongoing strategic economic and business information on business sectors, regions and economic trends;

- Manage significant cross-government projects to enhance the province's competitiveness; and
- Evaluate options for improving British Columbia's tax competitiveness.

Resource Summary of Core Business Area: Improve British Columbia's Investment Climate and Competitiveness	2002/03 Restated Estimates	2003/04 Estimates	2004/05 Plan	2005/06 Plan
Operating Expenses ($000)	5,399	6,646	4,276	4,276
FTEs	39	27	27	27
Capital Expenditures ($000)	0	0	0	0

Core Business Area 2: Enhancing Economic Development Throughout British Columbia

The government is committed to developing and implementing strategies to revitalize the economy and create greater economic diversification. The Provincial Economic Strategy and the Heartlands Economic Strategy will be key to fostering investment and job creation throughout British Columbia. The primary role of the core business of Enhancing Economic Development Throughout British Columbia is to:

- Lead the implementation of a long-term Provincial Economic Strategy and drive the government-wide implementation of the Heartlands Economic Strategy;
- Removing barriers to key projects and initiatives by establishing a project fast-track process to give key projects priority treatment;
- Manage British Columbia/Canada Infrastructure program to improve urban and rural local government infrastructure; and manage the Western Economic Partnership Agreement to support economic development in British Columbia;
- Develop and implement a Tourism Development Strategy and All-Seasons Resort Strategy for British Columbia; and
- Through Leading Edge British Columbia promote and market British Columbia as a competitive business location for science and technology sectors, particularly: life sciences, wireless, new media, alternate energy, and information communication technology sectors (see Appendix I).

Resource Summary of Core Business Area: Enhancing Economic Development Throughout British Columbia	2002/03 Restated Estimates	2003/04 Estimates	2004/05 Plan	2005/06 Plan
Operating Expenses ($000)	23,095	21,054	20,204	20,204
FTEs	53	55	55	55
Capital Expenditures ($000)[3]	615	600	519	500

[3] Capital expenditures associated with the Single Business Number project, which will streamline business activities with government through greater access to electronic service delivery.

- Manage significant cross-government projects to enhance the province's competitiveness; and
- Evaluate options for improving British Columbia's tax competitiveness.

Resource Summary of Core Business Area: Improve British Columbia's Investment Climate and Competitiveness	2002/03 Restated Estimates	2003/04 Estimates	2004/05 Plan	2005/06 Plan
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FTEs	39	27	27	27
Capital Expenditures ($000)	0	0	0	0

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- Lead the implementation of a long-term Provincial Economic Strategy and drive the government-wide implementation of the Heartlands Economic Strategy;
- Removing barriers to key projects and initiatives by establishing a project fast-track process to give key projects priority treatment;
- Manage British Columbia/Canada Infrastructure program to improve urban and rural local government infrastructure; and manage the Western Economic Partnership Agreement to support economic development in British Columbia;
- Develop and implement a Tourism Development Strategy and All-Seasons Resort Strategy for British Columbia; and
- Through Leading Edge British Columbia promote and market British Columbia as a competitive business location for science and technology sectors, particularly: life sciences, wireless, new media, alternate energy, and information communication technology sectors (see Appendix I).

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Capital Expenditures ($000)[3]	615	600	519	500

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Core Business Area 3: Marketing and Promoting British Columbia

British Columbia has dramatic topography, abundant natural resources, a large number of small businesses and a burgeoning high-tech sector. For national and international investors, or for those wanting to visit the province, British Columbia has many opportunities. However, modest economic growth in British Columbia, combined with a high dollar, means that the Province and private sector must work creatively to attract investors by distinguishing British Columbia's business opportunities from those in competing jurisdictions. The primary role of Marketing and Promoting British Columbia is to facilitate trade and investment by:

- Developing a marketing strategy to provide the framework for communicating British Columbia's advantages and opportunities;
- Showcasing British Columbia at important national and international trade and industry events;
- Planning and managing trade missions that provide the Premier and Ministers with opportunities to profile British Columbia in key markets;
- Identifying marketing opportunities for British Columbia businesses and assisting the private-sector to create networks, alliances and partnerships to leverage those opportunities; and
- Lead the marketing of British Columbia as a film and television production location.

Resource Summary of Core Business Area: Marketing and Promoting British Columbia	2002/03 Restated Estimates	2003/04 Estimates	2004/05 Plan	2005/06 Plan
Operating Expenses ($000)	4,880	2,949	2,706	2,706
FTEs	23	17	17	17
Capital Expenditures ($000)	0	0	0	0

Core Business Area 4: Executive and Support Services

The primary role of Executive and Support Services is to:

- Provide financial, human resources, records management and information systems support to the Ministry;
- Provide for the offices of the Minister and Deputy Minister of Competition, Science and Enterprise and the Minister of State for Deregulation and Deputy Minister responsible for Deregulation and the All Seasons Resorts Strategy; and
- Provide contributions to the British Columbia Pavilion Corporation, Vancouver Convention and Exhibition Centre, and bad debt expenses. (Details of these contributions appear in Appendix I.)

Resource Summary of Core Business Area: Executive and Support Services	2002/03 Restated Estimates	2003/04 Estimates	2004/05 Plan	2005/06 Plan
Operating Expenses ($000)	18,015	84,057	77,715	85,215
FTEs	62	23	23	23
Capital Expenditures ($000)	190	52	52	50

Linkage of Goals and Core Business Areas

Ministry Goal	Core Business Area
Improving our competitive position in the national and international economy	**Improving British Columbia's Investment Climate and Competitiveness** — The ministry manages initiatives that create a positive investment climate including the government-wide deregulation initiative, tax policy programs to assist small and medium-sized businesses to gain access to equity capital and significant cross-government projects that enhance provincial competitiveness.
Increasing economic development throughout British Columbia, particularly in the Heartlands	**Enhancing Economic Development Throughout British Columbia** — The ministry efforts to simulate investment, and tourism, along with its management of federal/provincial infrastructure development programs, are key to economic expansion and job creation in British Columbia.
Marketing British Columbia as a preferred place to live, visit, invest and do business	**Marketing and Promoting British Columbia** — The ministry works with the private-sector to creatively and strategically market British Columbia as a globally competitive location for investors and business opportunities.

Core Business Area 3: Marketing and Promoting British Columbia

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- Planning and managing trade missions that provide the Premier and Ministers with opportunities to profile British Columbia in key markets;
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FTEs	23	17	17	17
Capital Expenditures ($000)	0	0	0	0

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- Provide financial, human resources, records management and information systems support to the Ministry;
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- Provide contributions to the British Columbia Pavilion Corporation, Vancouver Convention and Exhibition Centre, and bad debt expenses. (Details of these contributions appear in Appendix I.)

Resource Summary of Core Business Area: Executive and Support Services	2002/03 Restated Estimates	2003/04 Estimates	2004/05 Plan	2005/06 Plan
Operating Expenses ($000)	18,015	84,057	77,715	85,215
FTEs	62	23	23	23
Capital Expenditures ($000)	190	52	52	50

Linkage of Goals and Core Business Areas

Ministry Goal	Core Business Area
Improving our competitive position in the national and international economy	**Improving British Columbia's Investment Climate and Competitiveness** — The ministry manages initiatives that create a positive investment climate including the government-wide deregulation initiative, tax policy programs to assist small and medium-sized businesses to gain access to equity capital and significant cross-government projects that enhance provincial competitiveness.
Increasing economic development throughout British Columbia, particularly in the Heartlands	**Enhancing Economic Development Throughout British Columbia** — The ministry efforts to simulate investment, and tourism, along with its management of federal/provincial infrastructure development programs, are key to economic expansion and job creation in British Columbia.
Marketing British Columbia as a preferred place to live, visit, invest and do business	**Marketing and Promoting British Columbia** — The ministry works with the private-sector to creatively and strategically market British Columbia as a globally competitive location for investors and business opportunities.

Performance Planning

This section sets out the performance measures and targets the Ministry will use to measure its success in achieving its goals and objectives. The section is organized to demonstrate clearly how each of the performance measures and fiscal year targets link to and align with the ministry's three goals and six objectives. Performance measures and targets are established based on the best information available at the time the service plan is written. There is a risk that achievement of targets may be influenced by unanticipated internal and external events. If necessary, in these cases, targets will be updated and refined in subsequent annual service plans.

Goal 1: *Improving our competitive position in the national and international economy.*

Objective 1.1 Improve British Columbia's economic performance and diversification

Strategies:

1. **British Columbia's share of venture capital** — increase British Columbia's national share of venture capital holdings from 5 per cent to 10 per cent by 2006.
2. **Tax credit leverage** — lever up to $152 million of private capital for investment in a diversity of businesses, including technology, tourism and value-added sectors by 2006.
3. **Deregulation** — reduce the regulatory burden within the Ministry by at least one-third by 2004/05 to improve British Columbia's competitiveness.

Measure	2002/03 Base	2003/04 Target	2004/05 Target	2005/06 Target
Venture Capital Fund Registrations	2 funds registered	4 funds registered	6 funds registered	8 funds registered
Venture Capital holdings in British Columbia	$1.1 billion	$1.3 billion (6 per cent of national holdings)	$1.8 billion (8 per cent of national holdings)	$2.2 billion (10 per cent of national holdings)
Private capital raised and businesses financed	$74 million 84 businesses	$137 million 95 businesses	$143 million 110 businesses	$152 million 120 businesses
Ministry regulatory requirements	30.9 per cent net reduction	32 per cent net cumulative reduction	36 per cent net cumulative reduction	04/05 results maintained

Objective 1.2 Improve British Columbia's competitiveness as a place to live, visit, invest and do business with

Strategies:

1. **Reduce the regulatory burden across government** — reduce the regulatory burden by one-third within three years.
2. **Tax competitiveness** — analyze, evaluate and prioritize options for improving British Columbia's tax competitiveness.
3. **Economic Competitiveness Indicators** — complete analysis and develop strategy, options, performance measures and targets to improve British Columbia's competitiveness and investment growth.
4. **Complete SWOT and trend analysis** — complete SWOT analysis and trend analysis for all key sectors.

Measure	2002/03 Base	2003/04 Target	2004/05 Target	2005/06 Target
Government-wide regulatory requirements	13 per cent net reduction	22 per cent net cumulative reduction	33 per cent net cumulative reduction	04/05 results maintained
Tax proposals	Analyze 8 key tax measures and develop options for implementation	Update analysis and develop revised options	Evaluate new tax measures and develop recommendations	Update analysis and develop revised options
Competitiveness indicators	None — new measure	Identify 15 key competitiveness indicators and develop recommendations	Update indicators to reflect changes in other jurisdictions and develop recommendations	Update indicators to reflect changes in other jurisdictions and develop recommendations
Completed SWOT and trend analysis	None — new measure	Complete SWOT for: • 15 sectors • economic development regions • provincial level	Sector SWOTs provided to the Ministries of Forests, Energy and Mines, Agriculture, Fisheries and Food, and Transportation, for use in the deployment of sector specific strategies	Complete update report on key sector changes, issues and challenges

Goal 2: *Increasing economic development throughout British Columbia, particularly in the Heartlands.*

Objective 2.1 Facilitate economic growth throughout the province

Strategies:

1. **Small business sector strategy** — develop and implement a provincial strategy which increases the number of small business employees in the province and the value of small business exports.
2. **Inbound investments** — facilitate inbound investment into high-growth, high-opportunity sectors.
3. **Fast-Track Projects** — accelerate permits and approvals for approved capital investment projects through project fast-track.
4. **Provincial Tourism and All-Seasons Resorts Strategies** — implement strategies to promote British Columbia and achieve increases in tourism revenues.

Measure	2002/03 Base	2003/04 Target	2004/05 Target	2005/06 Target
Employment in small business sector	930,000 small business employees	950,000 employees	970,000 employees	999,000 employees
Number of small businesses	338,000 small businesses	345,000 small businesses	350,000 small businesses	360,000 small businesses
Total number of inbound investment projects	3 projects $17 million/600 jobs	4 projects $20 million/200 jobs	6 projects $30 million/450 jobs	6 projects $30 million/450 jobs
Number of Heartlands capital investment projects accelerated	None — new measure	5 projects 540 jobs	9 projects 1060 jobs	11 projects 1500 jobs
Tourism Revenues	$9.2 billion in tourism revenues	$9.2 billion in tourism revenues	$10 billion in tourism revenues	$10.4 billion in tourism revenues

Objective 2.2 Maximize federal/provincial funding for our Heartlands

Strategies:

1. **Canada/British Columbia Infrastructure Program** — fund infrastructure projects that support economic development in the Heartlands.
2. **Western Economic Partnership Agreement** — negotiate new funding agreement for Economic Development Initiatives that recognize sectoral regional needs.
3. **Funding for Regional Science Councils** — fund science and innovation approaches for regional applications.

Measure	2002/03 Base	2003/04 Target	2004/05 Target	2005/06 Target
Canada/ British Columbia Infrastructure Program project funding	50 per cent of $800 million in program funds committed	Program funds fully committed by Spring 2004	Successfully manage cash flow of $200 million worth of projects	Successfully manage cash flow of $200 million worth of projects
Western Economic Partnership Agreement project funding	Financial administration of remaining commitments	New 5 year project in place by Fall of 2003	Commit 20 per cent of total program funds on approved projects	Commit 40 per cent of total program funds on approved projects
Regional Science Council funding	Continue funding seven existing councils	Continue funding seven existing councils Formalize a Northwest council by Spring 2004	Ongoing	Ongoing

Objective 2.3 Advocate on behalf of small business

Strategies:

1. **Canada/British Columbia Business Services Society** — provide one-stop access to business information and tools for small business startup and expansion.
2. **Small business participation in 2010 Winter Olympic Games** — ensure small businesses are informed of opportunities leading up to the 2010 Olympic Games.
3. **Initiate a smart regulation initiative specific to small businesses** — ensure that government policy, legislative and service delivery frameworks support small business success, not impede it.
4. **OneStop Business Registration** — reduce government red-tape by providing effective and efficient business registration services for three levels of government.
5. **Single Business Number** — establish a common business identifier which reduces the time and complexity businesses encounter while reporting and remitting payments to three levels of government.

Measure	2002/03 Base	2003/04 Target	2004/05 Target	2005/06 Target
Number of clients served by Canada/ British Columbia Business Services Society	125,000 transactions	130,000 transactions	135,000 transactions	140,000 transactions
Small business participation in Olympic business opportunities	Work with CBCBSS and the Olympic Secretariat to develop a plan to maximize opportunities for small business	Work with CBCBSS and the Olympic Secretariat to develop a plan to maximize opportunities for small business	3,000 businesses registered for updates on 2010 opportunities	Cumulative total of 5,000 businesses registered for updates on 2010 opportunities
Federal, Provincial and local government adoption of the small business smart regulation initiative	N/A	Development of the smart business/smart regulation initiative	Implementation of the smart business/smart regulation initiative in 6 provincial ministries and 20 local governments	Implementation of the smart business/smart regulation initiative in 12 provincial ministries and 40 local governments

Measure	2002/03 Base	2003/04 Target	2004/05 Target	2005/06 Target
Clients served by OneStop Business Services	10,000 clients services	15,000 clients served Successful transition of OneStop Services to Ministry of Finance	N/A — transferred to Ministry of Finance	N/A — transferred to Ministry of Finance
Complete Single Business Number project	No single coordinated business identifier	Single Business Number project completed and closed-out by March 31, 2004	Complete	Complete

Goal 3: *Marketing British Columbia as a preferred place to live, visit, invest and do business.*

Objective 3.1 Market British Columbia as a preferred location to visit, and for new and expanded trade and investment.

Strategies:

1. **Promote British Columbia as a film and TV location** — organize trade efforts to promote the province as a film and TV production location.
2. **Marketing and promotional strategies** — develop marketing and promotional strategies with Invest British Columbia to promote awareness of competitive advantages and opportunities throughout the province.
3. **Trade and investment promotion** — organize trade missions and provincial participation in key international events to promote British Columbia.

Measure	2002/03 Base	2003/04 Target	2004/05 Target	2005/06 Target
Sales and marketing initiatives for film and TV industry	Completed two marketing initiatives	Lead four sales and marketing efforts to the US	Lead four sales and marketing efforts in the US and one in emerging markets	Lead four sales and marketing efforts in the US, revisit previous year's emerging market and add one more emerging market
North American ranking of film production expenditure	$993.6 million spent in British Columbia Base rank third largest production centre in North America	$1 billion spent in British Columbia Largest production centre in North America after Los Angeles and New York	$1.05 billion spent in British Columbia Largest production centre in North America after Los Angeles and New York	$1.1 billion spent in British Columbia Largest production centre in North America after Los Angeles and New York
Compile and provide customized information in response to qualified investor enquiries	Provide customized information to 42 qualified potential investors	Provide customized information to 50 qualified potential investors	Provide customized information to 75 qualified potential investors	Provide customized information to 75 qualified potential investors

Measure	2002/03 Base	2003/04 Target	2004/05 Target	2005/06 Target
Trade missions and key events promoting British Columbia	6 trade and investment visits led by Premier and/or Ministers 20 pre-qualified business delegations attracted	8 trade and investment visits led by Premier and/or Ministers 30 pre-qualified business delegations attracted	8 trade and investment visits led by Premier and/or Ministers 40 pre-qualified business delegations attracted	8 trade and investment visits led by Premier and/or Ministers 40 pre-qualified business delegations attracted

Deregulation

Ministry Deregulation

The ministry has been a leader in achieving government's deregulation commitment. As of June 30, 2003, the Ministry had achieved a 32 per cent net reduction from its baseline of 2,329 regulatory requirements, far exceeding the Ministry's initial 12 per cent target for 2002/03. The ministry's 2003/04-2005/06 service plan incorporates this result into revised targets leading to a net reduction of 35 per cent in 2004/05.

This year, the ministry eliminated 794 unnecessary regulations through the repeal of outdated or obsolete legislation (*Small Business Development Act*; *Special Enterprise Zone and Tax Relief Act*; *Industrial Development Incentive Act*; *Natural Resource Community Fund Act*; the *Job Protection Act*; and the *Northern Development Act*).

Government Wide Deregulation

As of June 30, 2003, the Government had reached almost 50 per cent of its final deregulation target, with a net reduction of close to 57,000 unnecessary regulatory requirements. This achievement, under British Columbia's innovative and comprehensive deregulation framework, reinforces that British Columbia is regulating sensibly and thoughtfully, and encourages prosperity, innovation and enterprise across the Province.

British Columbia is unique in imposing rigorous performance standards with tough measurable targets for regulatory reform that will promote smart, effective and efficient regulation. Top priorities are regulations with the most direct impact on competitiveness. Major strides have been made in the areas of employment standards, liquor control and licensing, land use management, and the resource sectors. Many of the changes exemplify the shift towards results-based regulation that will encourage innovation and competitiveness. All ministries and agencies across government are striving for smarter regulation and streamlining to make it easier for all British Columbians to interact with government, and help create new opportunities in all economic sectors across the Province, particularly in the Heartlands.

Consistency with Government's Strategic Plan

The 2003/04 to 2005/06 Government Strategic Plan has been used to align the ministry's strategies and plans under the government's goals, objectives and strategies.

Government Goal 1: A Strong and Vibrant Provincial Economy

Government Objective: British Columbia Will Have a Prosperous Economy

Government Strategy: Innovation and Economic Growth

Provincial Strategies	Achievements in 2002/03	2003/04 - 2005/06 Service Plan Strategies
Work with the private sector to remove barriers to economic activity	• Completed review of all fees and licenses • All business subsidies reviewed and ended • Renewed film and TV regional tax credits • Established tax credits for new media, animation/ special effects industry	• Fast-track projects — accelerate permits and approvals for approved capital investment projects • Develop a one stop shop for business information services, including web-based site selection tools and resources
Develop and implement a long-term economic development strategy	New function	• Lead the preparation and implementation of the Provincial Economic Strategy
Continue to co-ordinate provincial trade and investment promotion across sectors	• British Columbia fully complies with Agreement on Internal Trade • Focused marketing strategies and branding developed for specific sectors, e.g. green buildings, e-learning products and telecommunications	• Promote British Columbia as a film and TV location • Marketing and promotional Strategies — develop marketing and promotional strategies to promote awareness of competitive advantages and opportunities throughout the province • Trade promotion — organize trade missions and provincial participation in key international events to promote British Columbia
Continue to streamline government's legislation and regulations	• Achieved 13.12 per cent government-wide reduction in regulations	• Reduce the regulatory burden across government by one-third within three years, beginning in 2001

Resource Summary

This section provides information on the Ministry's budget and full-time equivalent staff (FTE) allocation, for each of the four core business areas.

Core Business	2002/03 Restated Estimates ($000)	2003/04 Estimates ($000)	2004/05 Plan ($000)	2005/06 Plan ($000)
Operating Expenses				
Improving British Columbia's Investment Climate and Competitiveness	5,399	6,646	4,276	4,276
Enhancing Economic Development Throughout British Columbia	23,095	21,054	20,204	20,204
Marketing and Promoting British Columbia	4,880	2,949	2,706	2,706
Executive and Support Services[4]	18,015	84,057	77,715	85,215
Total Operating Expenses	**51,389**	**114,706**	**104,901**	**112,401**
FTEs				
Improving British Columbia's Investment Climate and Competitiveness	39	27	27	27
Enhancing Economic Development Throughout British Columbia	53	55	55	55
Marketing and Promoting British Columbia	23	17	17	17
Executive and Support Services	62	23	23	23
Total FTEs	**177**	**122**	**122**	**122**
Capital Expenses				
Improving British Columbia's Investment Climate and Competitiveness	0	0	0	0
Enhancing Economic Development Throughout British Columbia	615	600	519	500
Marketing and Promoting British Columbia	0	0	0	0
Executive and Support Services	190	52	52	50
Total Capital Expenses	**805**	**652**	**571**	**550**

[4] Includes contributions to the Vancouver Convention and Exhibition Centre project of $67 million, $62 million and $69.5 million in each fiscal year 2003/04 to 2005/06

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Summary of Related Planning Processes

Information Technology Plan

Strategic Direction

The ministry will use common corporate services and adhere to government standards, to ensure implementation of secure and stable business systems based on Best Practices principles.

It will also focus on web-enabled service delivery, where feasible, to make information available electronically to businesses and the public.

Finally, the ministry will manage with limited resources through the use of strategic partners and alternate service providers.

Major Projects

Business Information System: System application modules and database systems will be changed to facilitate changes necessary to support the Ministry's strategy to increase British Columbia's share of venture capital.

Invest BC (Site Selector): Develop an internet facility with supporting databases to allow collaboration with communities and businesses. This facility will support the ministry's core business to attract investment, and market British Columbia as a preferred place to live, invest and do business.

Government Portal Migration: Develop a strategy and migration plan to move all existing ministry and associated agencies web content, excluding e-services, to the new common government portal facility. Identify and reorganize e-service sites and apply government portal standards to those sites.

Human Resources Management Plan

Below is a high level overview of the ministry's human resource management plan.

Goal	Objective	Strategy	Performance Measures, Outcomes, Indicators
Manage Human Resources *The goal is to ensure the ministry has employees with the skills, knowledge and expertise required to achieve its mandate.*	*To:* • recruit, develop and manage employees according to best practices; and • ensure the skills, knowledge and expertise required by the ministry are available in the right place at the right time and in the right capacity.	*Managers will:* • manage human resources effectively. • seek the guidance of the Strategic Human Resources Unit, decide on a course of action, implement actions, and monitor/evaluate results. *The Strategic Human Resources Unit will:* • provide options and recommendations to ministry executives and managers to promote optimal human resource management in the ministry. • manage the provision of transactional human resource services by the BC Public Service Agency.	*Ministry Executive will assess:* whether the ministry workforce had the skills, knowledge and expertise to meet the challenges faced by the ministry in its quest to achieve its mandate during the fiscal year.

Goal	Objective	Strategy	Performance Measures, Outcomes, Indicators
Workforce Adjustment: *The goal is to ensure the ministry's workforce adjustment efforts achieve its FTE and budget reduction objectives.*	*To:* lead and direct the workforce adjustment process to achieve ministry objectives.	*Ministry Executives and managers will:* • ensure surplus positions are identified and employees affected are treated with fairness, consideration and due process. • consider the implications of succession planning, turnover, and the future needs of the ministry in implementing workforce adjustment measures. *The Strategic Human Resources Unit will:* • Manage the provision of transactional workforce adjustment services by the BC Public Service Agency.	*Ministry Executive will assess:* whether FTE and financial targets were achieved.
Performance Management: *The goal is to ensure ministry employees perform to the best of their abilities.*	*To:* Build and maintain a healthy, dynamic workplace where employee contributions are valued and where employees are encouraged to develop their skills and knowledge, and to perform to the best of their abilities.	*Managers and employees will:* • complete annual performance plans and annual reviews to set goals, enhance performance and review achievements. *All employees will:* • understand the goals and objectives of their organizational unit and its relationship to division, ministry and government goals and priorities.	*Ministry Executive will assess whether:* managers and employees achieve peak performance during the reporting period.

Appendix I

Over 70 per cent of the ministry's budget consists of contributions. With the exception of bad debt expenses, these contributions are made in accordance with contractual arrangements and are largely outside of the ministry's control and influence, consequently they do not have ministry performance targets associated with them. The ministry's contribution for contracts and funding arrangements totals $85.8 million in 2003/04. The contributions described below are included in the core business: Executive and Support Services, except the Northern Development Fund which is included in core business: Improving British Columbia's Investment Climate, and the contribution for Leading Edge British Columbia is included in the core business: Enhancing Economic Development Throughout British Columbia.

- **Northern Development Fund:** The NDF is a fund established under the 1997 British Columbia/Alcan Agreement to promote sustainable economic development in northern British Columbia. Funds are provided on a matching cost-shared basis by the Province and Alcan. The NDF is managed by the Nechako-Kitamaat Development Fund Society. The ministry has set aside a contribution of $1.5 million in 2003/04, however, this contribution may not be made as the NDF has not expended previous years' contributions.

- **Leading Edge British Columbia:** the ministry's contribution for Leading Edge British Columbia is $10.838 million in 2003/04. Leading Edge British Columbia promotes and markets British Columbia as a competitive business location and a preferred location to live, visit, invest and do business, specifically in priority sectors identified by the Premier's Technology Council (life sciences, wireless, new media, alternate energy and the information communication technology sectors). It will work with the private sector and other relevant stakeholders through establishing partnerships and alliances.

  The Society will also play a key role in attracting new investment to the Province including the recruitment and expansion of key firms in priority sectors as well as helping to increase the availability of venture capital throughout the Province.

- **British Columbia Pavilion Corp.:** the ministry provides funds for capital, operating and facilities costs and for the amortization of the Province's investment in the corporation. The British Columbia Pavilion Corp. prepares its own Service Plan. The ministry contribution in 2003/04 is $5 million.

- **Vancouver Convention Centre Expansion Project:** in December 2002, the governments of Canada and British Columbia, along with the City of Vancouver, jointly announced funding arrangements for the development of the Vancouver Convention Centre Expansion Project. Vancouver Convention Centre Expansion Project Ltd. (VCCEP Ltd.) was established under the British Columbia *Company Act* to build the project and act as an agent of the Province. The construction of the new facilities is targeted at $495 million. The tourism

sector will provide $90 million, with the remainder provided by the federal and provincial governments on a matching cost-shared basis. The province will make contributions of $67 million, $62 million and $69.5 million in each fiscal year 2003/4 to 2005/06. Total provincial contributions will be $230 million. VCCEP Ltd. prepares its own Service Plan.

- **Bad Debt Expense:** reserves for doubtful loans, write-downs of investments and interest expense on concessionary loans total $1.52 million.